

**THE WEIGHTING OF THE  
FORMULA NEED COMPONENTS  
SHOULD BE CHANGED TO  
BETTER REFLECT BOTH THE  
NEED OF LOW-INCOME FAMILIES  
AND THE STATED PURPOSE OF  
THE ACT**  
(NAHASDA NEGOTIATED RULE MAKING)

**ISSUE**

A primary objective of the NAHASDA law is “to assist and promote affordable housing activities to develop, maintain and operate affordable housing in safe and healthy environments on Indian reservations and in other Indian areas for occupancy by low-income Indian families” (25 U.S.C. 4131(a) (1)).

The Act defines “affordable housing” as housing that complies with Title II, Affordable Housing Activities, of the Act (25 U.S.C. 4103(2)).

The Act also defines “low-income families” as families whose incomes does not exceed 80% of the median income. (25 U.S.C. 4103 (13)).

Eligible affordable housing activities are limited under NAHASDA to the development and support or the providing of services to only affordable rental or homeownership housing.

The NAHASDA statute requires that the “allocation formula” be based on factors that reflect the need of the Indian tribes and the Indian areas of the tribes for assistance for affordable housing activities. This and a plain reading of the “need component” of the allocation formula in the regulations illustrate that most if not all of the needs formula should be based on the number of low-income Indian households that a tribal recipient has in its formula area.

Currently the needs components contained in the NAHASDA Indian Housing Block Grant allocation formula only gives 40% of its total points for low-income families in the recipients formula area (13% for households with less than 30% of formula median income and 7% each for households with between 30% & 50% and 50% & 80%). This current weighting of need does not adequately reflect the primary purpose and goals of the Act. It also has the effect of inadequately providing NAHASDA resources to areas where housing needs are the greatest.

For Indian households with income exceeding 80% of median income there are other resources that are available including the HUD 184 program. However low-income families on most reservations are primarily dependent upon NAHASDA funding and the previous assistance provided under the 1937 Housing Act.

Low and very low-income housing (households with less than 30% of median income and between 30% and 50% of median) requires more support, assistance, financing and funding because there is less opportunity to leverage funding for their housing and the tenants are not able to make a significant financial contribution to the cost of maintaining their homes. Most importantly there is also often a very significant need to provide substantial ongoing financial support or subsidy for these units during the management or operations of low and very low-income housing.

For these reasons the weighting of low-income households in the NAHASDA Indian Housing Block Grant formula should be substantially increased.

## RESOLUTION

The total weight currently given in the NAHASDA Indian Housing Block Grant formula for the need components for low-income households should be increased from 40% to 70%.

The formula needs component for households with less than 30% of median income component should be weighted at 45%. The component for households between 30% and 50% should be weighted at 15% and the component for households between 50% and 80% should be weighted at 10%.